

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PARCEL SELECT CONTRACT 22 (MC2017-155)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-219

**USPS NOTICE OF AMENDMENT TO  
PARCEL SELECT CONTRACT 22, FILED UNDER SEAL**  
(August 3, 2018)

The Postal Service hereby provides notice that prices and terms under Parcel Select Contract 22, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select Contract 22 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The supporting financial documentation and a certified statement, as required by 39 C.F.R. § 3015.5, are included with this filing. The certified statement is provided in Attachment B. Redacted versions of the financial analysis are being filed today along with this pleading. Unredacted versions are being filed under seal. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Elizabeth A. Reed

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August 3, 2018

**ATTACHMENT A**

**REDACTED AMENDMENT TO  
PARCEL SELECT CONTRACT 22**

**AMENDMENT #1**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
**REGARDING**  
**PARCEL SELECT SERVICE**

WHEREAS, the United States Postal Service (“the Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract regarding Parcel Select, Parcel Select Contract 22/Docket No. CP2017-219, on June 21, 2017.

WHEREAS, the Parties desire to amend the terms in Section I.B., Section I.D., Section I.E. and Table 1 and I.I. of the Contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective the latter of two (2) business days following the day on which the Commission issues all necessary regulatory approval or July 19, 2018.

[Replace Sections I.B., I.D., Section I.E. and Table 1, and Section I.I., in their entirety, and add Sections I.J. and I.K. as follows.]

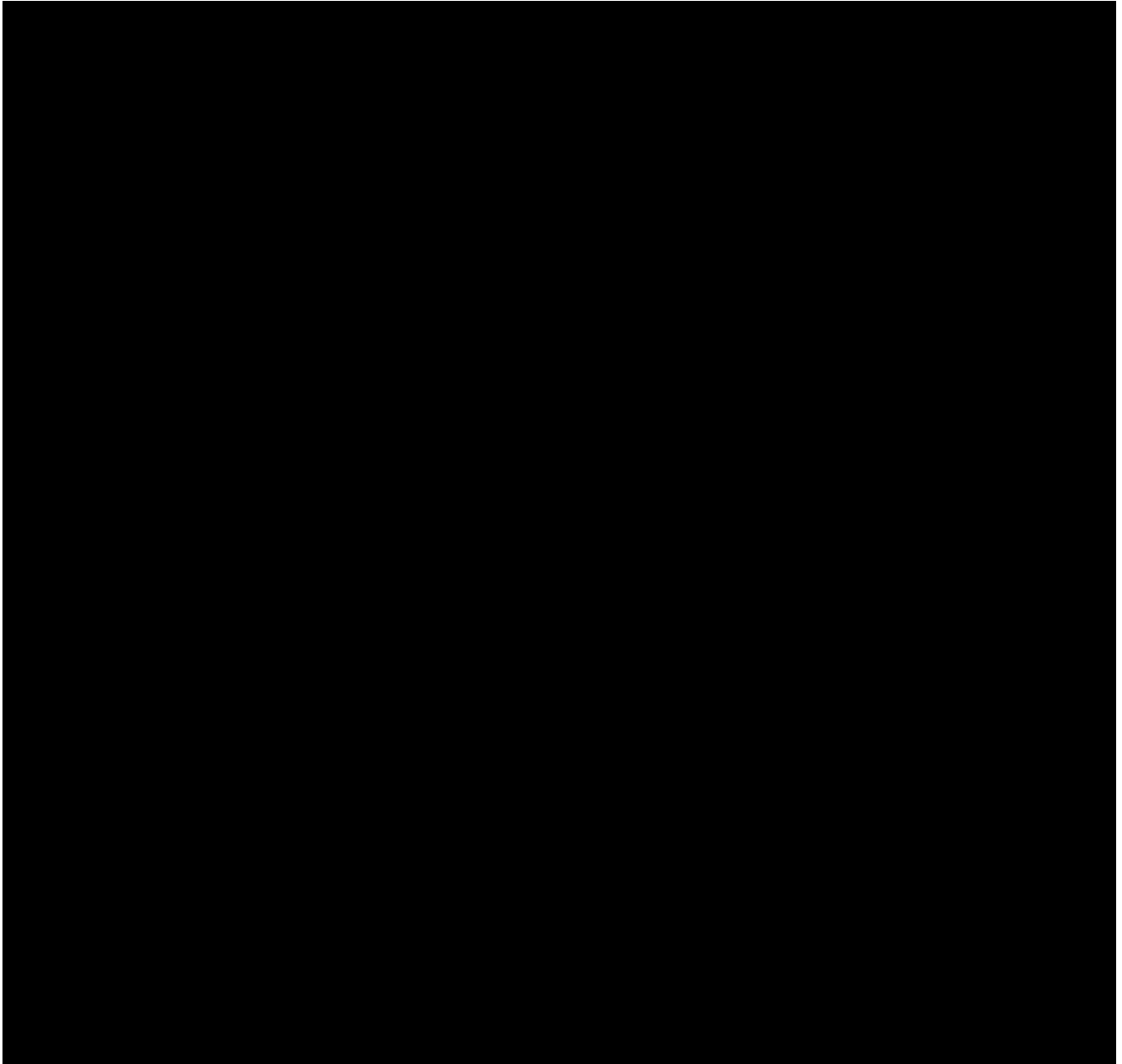
**I. Terms**

- B. Customer's Parcel Select DSCF 3-Digit machinable pieces [REDACTED] and are not addressed to any ZIP Codes in Attachment A ("DSCF [REDACTED] pieces"); Customer's Parcel Select DSCF 3-Digit machinable pieces [REDACTED] ("DSCF [REDACTED] pieces"); and Customer's Parcel Select DSCF 3-Digit non-machinable pieces [REDACTED] ("DSCF Non-Machinable pieces") (collectively, “Contract Packages”). Only machinable pieces will be eligible for Contract Pricing under this Contract pursuant to Section I.E.1 and Table 1 below. The ZIP Codes contained in Attachment A may be modified once a year by the Postal Service and will take effect on July 1st of each Contract Year.
- D. Customer must prepare Parcel Select packages in the manner specified by the Postal Service. Customer must separate machinable Contract Packages from non-machinable Contract Packages, and all other Parcel Select packages in order to qualify for Contract prices pursuant to Section I.E.1 and Table 1 below and in order to qualify for Premium Service pursuant to Section I.I. below.

[REDACTED]

E. Contract Packages.

1. From the effective date of this Amendment until the first anniversary of the Contract's effective date, as defined in Section II below, Customer shall pay the Contract prices pursuant to Table 1 below for DSCF [REDACTED] pieces and DSCF [REDACTED] pieces.



2. From the effective date of this Amendment and for the duration of this contract, Customer shall pay the prevailing published prices for DSCF Non-Machinable pieces.

I. Premium Service Fee.

1. Upon meeting all operational and technical requirements and payment of a Premium Services Fee (PSF), Customer is eligible for Parcel Select DSCF Next Day delivery for Customer's DSCF [REDACTED] pieces, DSCF [REDACTED] pieces, and DSCF Non-Machinable pieces.
2. The Premium Service Fee for each Contract Year will be [REDACTED] premium charge for the duration of the contract.

J. Quarterly Business Reviews. The Parties shall, within fifteen (15) calendar days after the conclusion of each full Contract Quarter in each Contract Year, jointly conduct a business review of Customer's Total Packages and other performance expectations under this Contract either in person, by teleconference, or by webinar. If either Party is unable to conduct a business review within fifteen (15) calendar days after the conclusion of the above referenced Contract Quarters, it shall notify the other Party in writing (i.e. email or mail) of that fact and propose a date as soon as practicable thereafter.

K. Record Keeping and Audit. Customer shall respond to the Postal Service's or its designated auditor's quarterly and/or yearly transaction confirmations related to Postal Service transactions; and such other assistance as required by the Postal Service or its designated auditors in connection with Customer's performance under this Contract.

[REDACTED]

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: Dennis R Nicoski

Printed Name: Dennis Nicoski

Title: Senior Vice President, Sales and Customer Relations

Date: June 29, 2018 | 05:10 PDT

[REDACTED]

**ATTACHMENT B**  
**FINANCIAL CERTIFICATION**



## **Certification of Prices for Amendment to Parcel Select Contract 22**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Parcel Select Contract 22. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on in the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Steven  
Phelps**

Digitally signed by Steven Phelps  
DN: cn=Steven Phelps, o=Pricing and  
Costing, ou=Pricing,  
email=steven.r.phelps@usps.gov,  
c=US  
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Steven R. Phelps